

DATE: February 4, 2021**FILE:** 1700-02/2021/340**TO:** Chair and Directors
Electoral Areas Services CommitteeSupported by Russell Dyson
Chief Administrative Officer**FROM:** Russell Dyson
Chief Administrative Officer***R. Dyson*****RE: 2021-2025 Financial Plan – Liquid Waste Management Planning Service –
Function 340****Purpose**

To provide the Electoral Areas Services Committee (EASC) with the proposed 2021-2025 financial plan and work plan highlights for the Liquid Waste Management Planning (LWMP) service, function 340.

Recommendation from the Chief Administrative Officer:

THAT the proposed 2021-2025 financial plan for Liquid Waste Management Planning service, function 340, be approved.

Executive Summary

The LWMP service provides planning services to the rural areas with regard to liquid waste management, including rainwater management, wastewater management and watershed planning.

Financial plan highlights for 2021 include:

- The proposed 2021 tax requisition remains unchanged from 2020 levels at \$425,492, which represents an estimated residential tax rate of \$0.0513 per \$1,000 of taxable assessed value. The estimated 2021 tax impact for a property assessed at \$500,000 will be \$25.65.
- Senior government grant funding revenue totaling \$64,595 has been carried forward to 2021 to fund both rainwater strategy implementation as well as the on-site septic system management program.
- Personnel costs have decreased by \$6,734 due to the reallocation of positions within the Engineering Services Branch.
- Operational costs have decreased by \$73,612 in 2021 due to the completion of 2020 work plan items and COVID-19 renewal actions which included deferred expenditures for septic education and minor reduction in professional fee allowances to assist in maintaining reserve fund balances for the service.
- As of December 31, 2020, the reserve fund balance for the service is projected to be \$404,193.

The following key initiatives are proposed in the 2021 work plan and will be managed by the LWMP service, with specific project funding included in either this service or one of the Comox Valley Regional District's (CVRD) feasibility study services as indicated:

- Analysis and planning for improved wastewater management for the south region (function 151).
- Phase two Tsolum River watershed planning activities (function 153).

- Further development and implementation of the on-site septic system management program (function 340).
- Implementation of the electoral areas rainwater management strategy (function 340).
- Union Bay servicing framework (function 151).
- Watershed protection scoping study (functions 151, 152 and 153).

Prepared by:

Concurrence:

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Board Strategic Drivers

The CVRD Board has set four strategic drivers to guide service delivery. Not all services will be influenced by all drivers. Table No. 1 notes the degree of influence the drivers have on projects and work plans.

Table No. 1: Board Strategic Drivers

Fiscal responsibility: <ul style="list-style-type: none"> • Much of the work completed within this service includes evaluation of improved wastewater/rainwater management through the creation of new services. Service creation must always consider fiscal responsibility as a driver and part of sustainable service delivery. 	Climate crisis and environmental stewardship and protection: <ul style="list-style-type: none"> • The climate crisis has significant implications for water management (flooding, drought, water quality). This is a significant driver for all planning projects within this service.
Community partnerships: <ul style="list-style-type: none"> • Much of the work completed within this service includes consultation with multiple stakeholders and with the general public in project specific areas. 	Indigenous relations: <ul style="list-style-type: none"> • Much of the work completed within this service includes consultation with the K'ómoks First Nation.

Rethink Comox Valley / COVID-19 Response and Renewal

On May 12, 2020, the CVRD Board adopted a COVID-19 renewal plan for the review of service levels and all necessary, critical and functional projects slated for the next five years. Recommended actions for the plan were brought forward to the relevant committees, commissions and partners for review over the summer. Recommended actions for function 340 were included in the August 6, 2020 report “COVID-19 Response and Renewal – Electoral Areas” presented to this committee at its August 10, 2020 meeting.

COVID-19 renewal actions for function 340 included deferred expenditures for on-site septic education over the next three years, including deferring the planned pilot rebate program until 2023, along with a minor reduction in professional fee allowances. These actions will assist in maintaining reserve fund balances for the service. Future expenditure reserves can be used to offset the cost of large planning projects, like a liquid waste management plan, that could otherwise require an increase in the tax requisition for the service.

Financial Plan Overview


The following key initiatives are proposed in the 2021-2025 financial plan and work plan:

- **Rainwater management:** Implementation of the electoral areas rainwater management strategy is an important focus of the LWMP service for 2021. The 2021 work plan includes a service structure options analysis, improved regulatory tools, public education and an Ecological Accounting Protocol (EAP) demonstration application for Saratoga Beach to be led by the Partnership for Water Sustainability in BC.
- **On-site wastewater management:**
 - The septic education program is proposed to continue with virtual homeowner workshops. The pilot rebate program is now budgeted for 2023.
 - Work to evaluate options for a mandatory maintenance program for on-site septic systems will continue in 2021 utilizing internal staff resources to complete additional analysis.
 - Work to further evaluate options for the management of composting toilets residuals on Hornby Island will continue in 2021 utilizing internal staff resources to complete additional analysis. Professional fees for the Hornby Island composting toilet study, completed in 2020, were funded through the Hornby Island Feasibility Studies service, function 155.
- **South region wastewater management:** Work to evaluate partnership opportunities with the Comox Valley Sewerage Service and update project cost estimates was completed in 2020. Further Baynes Sound – Denman/Hornby Islands (Electoral Area A) wastewater planning work will be dependent on direction provided by the EASC. Project oversight and management will be provided by this service, while funding for professional fees is included in the proposed 2021 Electoral Area A feasibility studies budget, function 151.
- **Union Bay servicing framework:** Work to evaluate sustainable infrastructure development and service delivery options for Union Bay is underway and will continue into 2021. Project oversight and management will be provided by this service, while funding for professional fees is included in the proposed 2021 Electoral Area A feasibility studies budget, function 151.
- **Tsolum River watershed planning:** Phase two watershed planning activities will be completed in early 2021. Project oversight and management is provided by this service while funding for professional fees is included in the proposed 2021 Puntledge – Black Creek (Electoral Area C) feasibility studies budget, function 153.
- **Watershed protection scoping study:** Study work is proposed for 2021 to better understand potential watershed management roles of the CVRD to best serve the needs of the electoral areas. Project oversight and management will be provided by this service while funding for professional fees is included in the proposed 2021 budgets for Electoral Area A, Electoral Area B and Electoral Area C feasibility studies services, functions 151, 152 and 153.

The 2021 - 2025 proposed five-year financial plan for LWMP service, function 340, including service establishment information, the requisition summary and the operating budgets, is available within the full proposed budget binder, provided in both searchable PDF and e-reader formats, located on the CVRD financial plan web page at www.comoxvalleyrd.ca/currentbudget.

Table No. 2 on the following page summarizes the 2021 proposed budget as compared to the 2020 adopted budget. Significant variances from 2020 adopted budget will be discussed in the financial plan sections that follow.

Table No. 2: Financial Plan Highlights

 2021 Proposed Budget				#340 Liquid Waste Management			
Operating	2020 Budget	2021 Proposed Budget	Increase (Decrease)				
Revenue							
Senior Government Grants	108,406	64,595	(43,811)				
Requisition	425,492	425,492	-				
Other Revenue/Recoveries	2,500	2,500	-				
Transfer from Reserve		258	258				
Prior Years Surplus	86,991	11,740	(75,251)				
	\$ 623,389	\$ 504,585	\$ (118,804)				
Expenditures							
Personnel Costs	322,019	315,285	(6,734)				
Operating	243,338	169,726	(73,612)				
Contribution to Reserve	58,032	19,574	(38,458)				
	\$ 623,389	\$ 504,585	\$ (118,804)				

Highlights of the 2021-2025 proposed financial plan for function 340 include:

Revenue Sources

- Community Works Funds are used to fund both rainwater strategy implementation as well as the on-site septic system management program with \$64,595 carried forward to 2021.
- The proposed 2021 tax requisition remains at the 2020 level of \$425,492.
- A small amount of revenue (\$2,500) is also provided by a recovery from other functions for the management of those services.

Personnel

There is a reduction in 2021 for personnel costs due to the reallocation of positions within the Engineering Services Branch. The LWMP service, function 340, provides management and staff resources for liquid waste management in the rural areas, as well as management services for Jackson Drive wastewater (function 330), King Coho wastewater (function 331) and Courtenay Flats drainage (function 791).

Operations

The majority of 2021 individual operating expenses remain unchanged; however, some variances from 2020 include:

- A decrease in other professional fees with the completion of the on-site septic maintenance program study in 2020 and a minor reduction in professional fee allowances as part of the COVID-19 renewal actions for the service.
- An increase in GIS services to allow for additional GIS support in continuing to evaluate mandatory maintenance program options for on-site septic systems.
- A decrease in program supplies and education programs due to the virtual format that has been adopted for the septic education program during the COVID-19 pandemic.

- A larger allowance for legal fees in 2021 for legal services relating to sewage/drainage issues and development for large proposal in the electoral area settlement nodes.

Professional fees for some projects are provided through the electoral areas feasibility studies services and therefore not included in the operations budget of this service.

Capital

The LWMP service establishment bylaw does not include provision for capital expenditures.

Reserves

As of December 31, 2020, the reserve balance for the LWMP service is estimated at \$404,193 with a projected balance at the end of 2025 of \$363,907.

Tax Impacts

- Based on the 2021 completed assessment roll, the estimated residential tax rate for this service is expected to be \$0.0513 per \$1,000 of taxable assessed value.
- The residential tax rate in 2020 was \$0.0543 per \$1,000 of taxable assessed value.
- For a residence with an assessed value of \$500,000, the total tax impact is estimated to be \$25.65.

Citizen/Public Relations

The LWMP Service provides planning services to the rural areas with regard to liquid waste management and as such much of the work completed within the service includes consultation with multiple stakeholders and with the general public in project specific areas.